

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF
DIRECTORS

OF

HIGHLANDS METROPOLITAN DISTRICT NO. 2

Held: Monday, July 29, 2019, at 2:00 p.m., at 2154 E. Commons
Avenue, Suite 2000, Centennial, Colorado.

Attendance

The meeting referenced above was called and held in accordance with the applicable statutes of the State of Colorado. The following directors were in attendance:

James Spehalski
Barry Talley
Linda Talley

Amy Volk and Amanda Halsey were absent. All director absences are deemed excused unless otherwise specified.

Also present were Kristin B. Tompkins Esq., White Bear Ankele Tanaka & Waldron, Attorneys at Law, District General Counsel; and Diane Wheeler, Simmons & Wheeler, P.C., District Accountant.

Call to Order

It was noted that a quorum of the Board was present and the meeting was called to order.

Conflict of Interest
Disclosures

Ms. Tompkins advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Tompkins reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Tompkins noted that a quorum was present and inquired into whether members of the Board had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Board determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.

Agenda

Ms. Tompkins presented the proposed agenda to the Board. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the agenda.

Approval of Minutes from the October 3, 2018 Regular Meeting

Ms. Tompkins presented the Board with the Minutes from the October 3, 2018 regular meeting. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the minutes.

Public Comment

None.

Legal Matters

Consider Approval of 2018 Annual Report

Ms. Tompkins presented the Board with the 2018 Annual Report for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the report.

Consider Adoption of Resolution Concerning Online Notice of Regular and Special Meetings

Ms. Tompkins presented the Board with the Resolution Concerning Online Notice of Regular and Special Meetings for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously adopted the resolution.

Financial Matters

Consider Approval of Payables/Financials

Ms. Wheeler presented the Board with the June 30, 2019 unaudited financial statements for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously accepted the unaudited financial statements.

Ms. Wheeler presented the Board with the Claims Payable. Following discussion, upon a motion duly made and seconded, the Board unanimously ratified check numbers 5090-5097 and approved check numbers 5098-5103, subject to funding.

Consider Acceptance of 2018 Audit

Ms. Wheeler presented the Board with the 2018 Audit for consideration. Following discussion, upon a motion duly made and seconded, the Board unanimously accepted the 2018 Audit.

Consider Approval of Infrastructure Reimbursement Agreement between the District and DR Horton, Inc.

Ms. Tompkins presented the Board with the Infrastructure Reimbursement Agreement between the District and DR Horton, Inc. for consideration. Director Barry Talley noted, on behalf of Vista Highlands, LLC (the "Owner"), that the Owner is waiving its right to reimbursements under the Assignment of District Reimbursement Rights between Melody Homes, Inc. and Vista Highlands, LLC, dated September 18, 2014. Following discussion, upon a motion duly made and seconded, the Board unanimously approved the agreement.

Consider Adoption of Resolution Regarding Acceptance of District Eligible Costs Incurred by

Ms. Tompkins and Ms. Wheeler presented the Board with the Resolution Regarding Acceptance of District Eligible Costs Incurred by DR Horton, Inc. pursuant to the Infrastructure Reimbursement Agreement for consideration. Following discussion, upon a motion

DR Horton, Inc. pursuant to
the Infrastructure
Reimbursement Agreement

duly made and seconded, the Board unanimously adopted the
resolution.

Consider Approval of
Requisition No. 2 for
Subordinate Bonds

Ms. Wheeler presented the Board with Requisition No. 2 for
consideration. Following discussion, upon a motion duly made and
seconded, the Board unanimously approved the requisition.

Consider Ratification of
Requisition No. 1 for
Subordinate Bonds, and
Requisition Nos. 3 and 4 for
Senior Bonds

Ms. Wheeler presented the Board with Requisition No. 1 for the
Subordinate Bonds, and Requisition Nos. 3 & 4 for the Senior Bonds
for ratification. Following discussion, upon a motion duly made and
seconded, the Board unanimously ratified the requisitions.

Other Financial Matters

None.

Other Business

None.

Adjournment

There being no further business to come before the Board and
following discussion and upon motion duly made, seconded and
unanimously carried, the Board determined to adjourn the meeting.

The foregoing constitutes a true and correct copy of the minutes of
the above-referenced meeting.



Secretary for the Meeting